

RE: Proposed FTC rule R511993 June 28, 2006 If your goal is to eliminate direct marketing companies then your rule R511993 will be an effective tool in making that happen. Is that your intent or is the FTC really that business stupid? After high school and two years in college, the USAF helped me grow up and realize that I should quit goofing off and start applying myself. I returned to college and earned a B.S. degree in accounting. I worked at an oil company in Denver, as an agent with the IRS in Chicago, an auditor with HUD in Knoxville and as an auditor at a bank. Today, after owning several other 'traditional' business enterprises, my full-time living is from my Quixtar affiliated business. The FTC's proposed rules in R511993 would significantly and negatively effect my entire life and threaten to adversely effect my family's livelihood. Please consider my comments with the gravest of concern as you could devastate my financial future, and in my opinion, totally miss the target of the noble objectives these rules are intended to meet. I'm 57, my wife is 46. We have invested 11 years into building relationships with people and have an organization of people who shop from Quixtar for their everyday items and some of them also look for potential customers and other independent business owners (IBOs) that want to build an additional source of income for their families, too. I have thoroughly read the proposed rules of R511993 and find myself aghast at the total lack of understanding of the real world that their author(s) has/have! Amazing and scary to me to say the least! Wow! It's hard to know where to begin. While the intent of them is noble, they are obviously written by people not living in the real world. The only other possibility is that they were written to purposely destroy or retard the small business person, in which case these concerns and points of view will fall on deaf ears anyway. I'll assume that the first scenario is the more accurate one. Broadly stated, I believe that the FTC shouldn't restrict freedom of choice on the front end, they should punish the crooks and liars on the back end. In other words, leave the creativeness and inventiveness of the American spirit as unrestricted as possible. That's one of the strengths of this great country. The proposed 7 day wait is an example of a front-end restrictive solution, whereas a back-end protective solution would be to allow a cooling off period during which the prospect could receive a refund of any investment. This way neither the business nor the prospect is hurt. Imposing the front-end restriction of a 7 day wait would hurt the business and not always help the prospect. Many prospects would also be hurt by this because it restricts them, too. They want to start their business and R511993 would be restricting them, also. Is that your intent, because that WILL be the result or it? Protecting citizens from themselves should not be the job of any government agency. Front-end restrictions like the 7 day wait rule treats people like they are stupid. Treating a consumer or business prospect like an idiot should not be the action of the FTC. Government should protect it's citizens from crooks, not from themselves! One of the most important and effective lessons any child or adult learns in life comes from failing and getting back up. R511993 would rob people of these valuable lessons. Don't construe this to believe that I support failing or that I suggest imposing things to hurt people. I don't. I'm just not in favor of robbing people of living in the real world either. I don't want my government protecting me from failing. I want them to help me once I've fallen so I can get back up and continue to learn and be a productive citizen. The rules of R511993 are restrictive, not protective. The fact is, there are many crooks operating pyramid schemes and scams that are obviously lying and taking people's money and yet no one is stopping them. More die from lack of inertia than from law enforcement. That's

the outrage. The solution doesn't lie within the acts of protecting ignorant people from themselves. Yes, I know that the FTC has many files of data on many of these crooks and scam artists. But data with no action is not effective. And yes, I know that the FTC is tracking many of them and aware of them, but what is being done? Little to nothing. And when action is taken, it's far, far too late. The crooks know this and they can take money from many people, and do everyday, because they know law enforcement like the FTC is ineffective in enforcing the rules it already has in place. And now the FTC wants to impose more of them! Somebody needs to wake up! Read my lips - the more rules you have that go unenforced, the less effective you become. The same goes for rules that aren't enforced quickly. We have too many rules right now, and way too few enforcements! And of the few enforced they are ALL taking too long to implement. I know of people who have been ripped off and lied to by companies that continue to operate, and the biggest reason these crooks get put out of business is because of word of mouth, not the FTC. That should piss you off if you really care about protecting citizens. It does me, and that's why I'm investing the time to write you. I don't mean this as an attack. I mean this as a wake up call to apply action in the right place, where it will be effective. Off the mark rule proposals like R511993 only prove to show how off base and out of the real world non-business people can be. I want to stop the crooks, too. And I commend you for seeking and getting feedback. It just concerns me how far off the mark this first proposal is from the real world. This proposal makes me realize that part of the problem with meeting these objectives is that the enforcers of the law don't understand the challenges of either legitimate or illegitimate businesses. The FTC needs to hire more experienced people. Not experienced employees, but experienced former business owners who have had to try to carve out a earning while living under the restrictive rules of bureaucratic, job oriented employees. Sorry, but it's true. Sorry if that offends, but sometimes the truth hurts. My difference of opinion with the writers of R511993 comes from me working out here in the real world and knowing that these rule proposals will hurt legitimate enterprises. The writers of R511993 don't understand this and no amount of letters will get them to that understanding either. They need to have lived under the restrictive thumb of government employee thinking to really know how it retards rather than supports. The restriction of free enterprise and creativeness should NEVER be caused by any government agency, period. Enforce, without restricting. R511993 would stifle free enterprise and do more harm than good. In the real world of business, these rules would hurt honest business men and women because few prospects would overcome the hurdles it would impose, thus stifling commerce. I suggest two methods that you put yourself through mentally to see these proposals in a different perspective to understand my points. First, what if you applied these same conditions to business oriented curriculums at colleges and universities? They take tens of thousands of dollars from very naive 18 year old students who expect to gain a financial hedge in their future earnings. After the misguided lessons of college and a career in accounting I finally learned how college had misled me with theory about the business world rather than taught me the facts. Talk about a scam. Why not go after these crooks? Then in 1981 I realized that the pursuit of my dreams was not going to be realized while working for someone else. I started my own business (thank God for the freedoms of America!!) and spent the next 14 years learning 'the ropes'. Finally, in 1995 I met an organization of IBOs. I've learned more usable and personal development skills here than I ever could

have in anything else I'd done to this point. I failed, I struggled, I made mistakes, I grew and I had to change, but I was helped by these people and the agonies of defeat and victory. Thank God the FTC didn't restrict me from failing and thus finding these valuable lessons. All along the way I was learning real world lessons from people who had a vested interest in me. I'd never met anyone in the public or private arena who helped me anywhere as much as these people have. Their shared experiences are better than any university professor can offer. When I think back about my college experience and compare what I was taught (theory) and by who taught it (none of my profs ever owned 1 business - NONE OF THEM), I feel like I was the victim of an elaborate scam by crooks! I admit this sounds radical at first thought, but as I went into the corporate world from college, I was aghast at how irrelevant my college education was compared to what I needed to know - and didn't. College was, and still is to this day, THE biggest scam that any 18 year old could possibly face. The poor track record of college grads demands that the FTC monitor them! The need for policing false promises and dashed hopes is much greater in the college scam arena than it is in the business opportunity arena. Yes, there is deception and lies in both areas, and they both need monitored, but here's my main point with all this. They need monitored, not restricted. My second analogy is, why don't you impose those same rules on yourselves? I know you're employees and you don't offer opportunity to people, but none the less, your actions impact people's financial livelihood. How about I be able to find out all the mistakes you've done, find out what your earnings are, etc. At this point, I have more thoughts and ideas to address with you than I did when I started. And rather than continue with them, I'm going to spare you and me from going through them. I'll close with this. If you really wanted to be fair, you'd apply these rules to all industries and businesses. If you did, you'd have every PAC and business lobby come down on you so fast and so hard that you'd be shocked. I'll give you the benefit of doubt that you know this, and that makes me realize the concern that you're on a witch hunt against small business owners. Is that really what you want? Regardless of your answer, the fact is, that will be the results of R511993. Please, for the sake of fairness, do the right thing and quit restricting free enterprise. The proposed rules of R511993 would reduce our freedoms and not protect people, it will just make them weaker. Kurt Gross